

DIANE BLACK  
6<sup>TH</sup> DISTRICT OF TENNESSEE

COMMITTEE ON  
WAYS AND MEANS

SUBCOMMITTEE OVERSIGHT

COMMITTEE ON THE BUDGET



CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515

DISTRICT OFFICES

355 NORTH BELVEDERE DRIVE  
SUITE 308  
GALLATIN, TN 37066  
(615) 206-8204  
(615) 206-8980 (FAX)

321 EAST SPRING STREET  
SUITE 301  
COOKEVILLE, TN 38501  
(931) 854-0069

January 10, 2013

The Honorable Kathleen Sebelius  
Secretary, U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington, D.C. 20201

Dear Secretary Sebelius:

After reviewing your [report](#) to Congress entitled, “Verification of Household Income and Other Qualifications for the Provision of Affordable Care Act Premium Tax Credits and Cost-Sharing Reductions,” I continue to have questions with the efficacy of this process and, as a result, remain deeply concerned that proper and effective front-end tools are not being utilized by the Department of Health and Human Services (HHS).

Prior to the launch of the [Healthcare.gov](#) website, the nonpartisan Government Accountability Office and Treasury Department Inspector General released warnings that the income verification system for issuing exchange subsidies was not completed. In fact, the system was said to be vulnerable to fraud and abuse for a program estimated to issue nearly \$250 billion of taxpayer funds.

For this reason, it is disappointing that the report states advance payments of the premium tax credit will be “later reconciled,” leaving one to understand that HHS will rely on estimates when calculating the cost of each subsidy. The lack of an up-front guarantee to consumers on the cost of the subsidy payment prohibits Americans from knowing what their health care costs will be. It is troubling that this policy creates a scenario in which those receiving an overpayment may wind up owing the government an unknown amount of money. In the case that an underpayment is issued, the government would unfairly withhold an American’s income simply because an up-front guaranteed payment could not be determined by HHS.

With regard to verification in an eligible employer-sponsored plan, the report states that data from the Small Business Health Options Program (SHOP) are not available for verification. This again leads Americans to understand that HHS will continue to rely upon attestation on the part of consumers, leaving a back-log of verification processing once the data is made available.

Finally, given the lack of proper security measures taken to build the Healthcare.gov website, it is further disappointing that this report fails to mention any action taken to develop, test, enforce, and monitor a privacy and security plan.

For these reasons, I am writing to request further information about the verification process. Specifically, please provide my office with written responses to the following questions:

- At what point will Americans be provided with a guarantee of their subsidy payment and through what means of communication?
- Will a formula that explains how subsidies are calculated be provided to consumers?
- At what point will the SHOP data be made available for eligibility verification purposes?
- What is the process or procedure that will be followed once the SHOP data is available?
- Has HHS made plans to hire an outside party to perform ethical hacking, also known as "white hat" hacking to validate that the system is secure?

Please provide a response to my office no later than 30 days from the date of this letter. Thank you for your attention to this important matter. Should you have any questions pertaining to this request, do not hesitate to contact my office at 202-225-4231.

Sincerely,



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Diane Black  
Member of Congress